

August 13, 2002

**NOTICE OF SIGNIFICANT ADDITIONAL MATERIAL RELIED UPON
IN PROPOSED DETERMINATION OF A REVENUE REQUIREMENT
(California Code of Regulations Title 23 Section 513)**

The California Department of Water Resources ("the Department" or "DWR") has received comments during the public review of its proposed determination of revenue requirements. Based on these comments and further analysis, the Department is examining all comments and considering potential adjustments in the proposed determination. The Department is also supplying significant additional material relied upon in its proposed determination of revenue requirements. This significant additional material supplemental information consists of:

- Updated Bond Charge Testimony

The updated Bond Charge Testimony is supported by the Financial Model noticed on August 9, 2002.

This notice of significant additional material is being provided via electronic mail to those persons who received the original notice by electronic mail and by U.S. Mail to every person who has filed a request for notice. This notice is also posted on the Department's web site (www.water.ca.gov). The additional material is available for review at the California Energy Resources Scheduling Division (CERS) of DWR, which is located at 3310 El Camino Avenue in Sacramento, California. Requests for copies of the information should be sent to the Department at the mailing addresses set forth below.

Pursuant to California Code of Regulations Title 23, Section 513(b), the Department is extending the comment period until August 14, 2002 for interested persons to submit comments on the proposed determination of revenue requirements and supplemental material upon which the Department intends to rely in making its determination. To be considered comments must be received at either of the following addresses by 5:00 P.M. on August 14, 2002:

Mailing address: Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attention: Mr. Richard Grix

E-mail address: cersforum@water.ca.gov

Comments must also satisfy the following requirements, as specified in section 515 of title 23 of the California Code of Regulations:

A comment must be in typewritten form and must be clear and permanently legible.

A comment must identify the determination that is the subject of the comment by referencing the deadline for submitting comments. The deadline for submitting comments in response to this notice is August 14, 2002.

A comment must be signed. Comments submitted on behalf of a business or organization must be signed by a person authorized to comment on behalf of the business or organization, must include the name and title of the signatory, the date of signing, the signatory's business address, and the signatory's business telephone number. Comments submitted through electronic mail will be considered by DWR only if an original, signed copy of the comment is received by DWR within three working days after the receipt of the electronic-mail comment.

A signature on submitted testimony certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after diligent inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; that the testimony is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.

No documents or records submitted as testimony which purport to be statements of fact shall be considered by DWR unless the documents or records have been certified under penalty of perjury by the person preparing or in charge of preparing them as being true and correct.

New Material Relied Upon/Revised Proposed Determination. If DWR identifies significant material it intends to rely on in making its determination, which was not identified in the proposed determination or if DWR revises the proposed determination DWR will provide notice of such additional material or notice of proposed revised determination to the public and provide an opportunity for comment on the additional material.

Issuance of Determination/Requests for Reconsideration. After considering comments timely received and otherwise in conformance with the requirements of section 515 of title 23 of the California Code of Regulations DWR will issue a determination on the record by posting the determination on its website and mailing or electronically mailing a notice of posting as required by section 516(a) of title 23 of the California Code of Regulations. DWR will consider any request for reconsideration which is submitted within 3 working days of the posting of the determination on the DWR website only if the request satisfies the requirements of section 515 of title 23 of the California Code of Regulations, which are summarized above.

Final Determination. A determination is final if DWR does not revise the determination either as a result of reconsideration, or in response to comment after reconsideration and revision.